



DENALI COMMISSION
510 'L' Street, Suite 410
Anchorage, Alaska 99501

(907) 271-1414
Fax (907) 271-1415
Toll Free (888) 480-4321
www.denali.gov

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**Meeting Minutes for April 30, 2003
Nome, Alaska**

Commissioners Present

Federal Co-Chair
State Co-Chair
Alaska Federation of Natives
AFL-CIO
University of Alaska
Alaska Municipal League
Associated General Contractors
of Alaska

Jeff Staser
Loren Leman
Absent (Julie Kitka)
Jim Sampson
Mark Hamilton
Kevin Ritchie
Richard Cattanach

Call to Order

Commissioner Cattanach called the meeting to order at 9:00 am at Old Saint Joe's in Nome, Alaska.

Opening Remarks

Both Co-Chairs Staser and Leman gave welcoming remarks.

Agenda and Minutes

- Commissioner Hamilton moved to approve the agenda and Commissioner Leman seconded the motion. Motion passed.
- Commissioner Ritchie moved to approve the January meeting minutes and Commissioner Staser seconded the motion. Motion passed.

Update on Commission and Staff Activities

- Commissioner Staser provided an update on activities since the last quarterly meeting of the Commission, including his testimony to the House Infrastructure Subcommittee on reauthorization of the Economic Development Agency in Washington DC and his testimony on transportation and related access infrastructure issues at Senate field hearings held by Senator Lisa Murkowski.
- Commissioner Staser welcomed Commissioner Jim Sampson, representing AFL-CIO, to his first full meeting following the departure of Mano Frey.
- AFN Representative Julie Kitka was absent, but provided her proxy to Commissioner Staser. The Commission proceeded with the quorum present.
- Funding update: The war in Iraq had a small impact on direct Denali Commission appropriations. It has been more difficult to get the funding passed through HRSA and RUS in a timely fashion

but we continue to work with representatives from these organizations to get the funding passed through to the Denali Commission in time to meet summer construction schedules.

- Commissioner Ritchie asked if there is a possibility of collaborating with other regional commissions in an effort to strengthen the regional commissions as a whole. Commissioner Staser answered that the historical purpose of similar Commissions has been to solve region specific problems. The best approach from his point of view is to focus on Alaska's tasks and get them done well; the results will speak for themselves. Administrative collaboration, such as sharing the costs of the Inspector General's Office, are already in place.
- Commissioner Staser presented the quarterly power point update slides on funding and the program performance indicators.

Transportation Briefing

Yuri Morgan briefed the Commissioners on Transportation issues as requested at the last meeting.

- The scope of the Transportation arena includes authority, capital allocation, delivery of services and sustainability.
- Authority can come from many different sources, S.B. 295, Federal Highway Re-authorization or other authorization options.
- Allocation: DOT's priority list includes \$10.2 billion worth of Transportation projects (not including BLM or Forest Service lists). The Denali Commission has gathered information about transportation needs through a letter sent to communities. There are several options open to the Denali Commission and a good starting point could be the development of a consolidated list of projects from the existing lists.
- Delivery of Services: The Denali Commission would partner with entities that are currently working on transportation issues. The Denali Commission has started a couple of demonstration projects in the Transportation area: Dust Control demonstration project in the Nome region and a road from Williamsport to Pile Bay.
- Sustainability: The transportation program would continue to use existing Denali Commission policies relating to sustainability.

Break from 10:30 – 10:40am

Discussion Time

Discussion about Training funding allocations:

Commissioner Hamilton commented that historically the Commission allocated 10% of base funds for training. Commissioner Hamilton is concerned that now that this year's funding has been cut, the training program has been cut disproportionately. Discussion continued among all Commissioners about how to allocate training funds appropriately.

Commissioner Cattanaach suggests that the Commission re-evaluate the entire methodology behind training funding, and would recommend the training sub-committee take this issue up.

Commissioner Sampson introduced Martin Lincoln, born in Nome, became a building maintenance repair apprentice, worked with AK Manufacturing in constructing homes in White Mountain. He has been accepted to IBEW's electrician school, a highly competitive school, and is a local success story.

Commissioner Sampson presented a compromise funding allocation for the training program.

Discussion about Investment Policy

Al Ewing provided a brief update to the Commissioners about this policy. The Investment Policy is a synopsis of draft or informal policies currently in use. The proposal is to formally adopt this policy. Commissioners discussed this policy briefly, Commissioner Sampson expressed concern that this policy will have far-reaching effects throughout many communities, and he would like to consider this more before making a decision.

Discussion about Private Enterprise Policy

Al Ewing provided a brief update to the Commissioners about this policy. This policy was drafted about 3 years ago, in response to a specific situation with a bulk fuel facility. Additional related issues have arisen over time resulting in refinements to this policy. Action by the Commission would serve to formalize the policy.

Discussion about the Shishmaref Clinic Policy

Community has made plans to relocate their community due to erosion. The item before the Commission involved deciding whether to renovate the clinic so it is suitable for continued use until they relocate, or to fund an entirely new clinic. Staff recommendation is to renovate the clinic at an approximate cost of \$150,000

Joe Cladouhos from NSHC responded: NSHC is in favor of a new clinic, they would like to expand health programs, and as a compromise, they would “hold the Commission harmless” if and when the community moves, and NSHC would incur the costs of relocating the clinic.

Discussion on Other than Primary Care Facilities White Paper

Commissioner Staser expressed his feeling that this issue warrants continued discussion among the Commissioners at a future date.

Lunch Break at 12:00

Meeting reconvened at 2:00 p.m.

Discussion about Training

From morning discussion staff prepared a compromise training resolution that outlined a total of \$2.5 million in funding to the State of Alaska Department of Labor. Staff detailed the training resolution which provides \$2 million in funding for the Denali Training Fund, \$250,000 in funding to the Associated General Contractors, Career Pathways Initiative with direction to focus on the NCCER Core Curriculum and \$250,000 to the Alaska Works Partnership, Apprentice Outreach. The resolution also provides direction to the Alaska Native Coalition on Employment and Training to work with the Alaska Federation of Natives and come back to the Training Subcommittee for consideration of funding in FY04.

Commissioner Staser mentioned that for the record the resolution did not include funding for the University of Alaska Allied Health but Capital funding which would be considered in a separate resolution. Commissioner Staser commended Commissioner Hamilton for reducing the funding request for training funding related to the Allied Health by accepting this compromise.

Discussion about Multi-use facilities

This was a \$10 million earmark in the Denali Commission's legislation. Since the overall Denali Commission budget was subsequently cut by \$2 million, this earmark has been reduced to \$8 million.

Commissioner Sampson expressed concern about re-allocating the remaining funds. He expressed that we need to ensure that we have made a good faith effort to allocate this money to good Multi-use facilities prior to reallocating the money to another program

Discussion about Washeterias

This is the continuation of a program. Staff recommends up to \$300,000 of FY03 funding and \$209,736 of FY99 and FY00 funding for this program.

Discussion about Water Export Program

This is a legislative earmark of up to \$1,000,000 to study the rural development opportunities, costs and logistics of shipping and marketing new domestic water supplies outside Alaska. Staff is recommending up to \$100,000 at this time.

Commissioner Lemman cautioned that this seems like a lot to spend on evaluating the proposals. He indicated that the money might be better spent in refining or better developing the proposals.

Discussion about the Mini-Grant Program

The Denali Commission has allocated funds to this program for that past three years. Staff recommends funding for this program continue, with 3 options. (A) Continue the program as it is and fund at the \$500,000 level. (B) Fund the program at the \$500,000 level but change the focus of the program. (C) Discontinue the funding this program.

Commissioner Ritchie recommends a combination of options A & B. The program has been successful and this would expand the success of the program.

There was discussion about securing other funding sources for this program. The Forest Service funds this program as well (except this year due to budget constraints). There is a possibility of bringing other Federal and State agencies to the table to fund this program also.

Discussion about the Airport Assistance Program

This program provides communities half of the match required for FAA funded airport projects, the State provides the other half of the match. Staff recommends the program continue for this year only and then be discontinued.

Commissioner Cattanaach would like to see communities come up with at least a portion of the required FAA match for these projects.

Discussion about the People's Learning Center

This is a \$60 million dollar facility with funding coming from many sources. They have already secured a considerable amount of funding for this project. Staff recommends that the Denali Commission fund \$1 million for this project.

Commissioner Ritchie stated his agreement with the Denali Commission objectives of collaboration and local training for jobs, and also involves funding from many partners. He would support this because it goes along with our policies.

Commissioner Leman stated that this project could become a big part of the "No Child Left Behind" program. This is a very positive effort, however he would like to discuss this further and then vote on this project at a further meeting.

Commissioner Sampson stated that we need a process to prioritize these projects and learning center and would like a recommendation from staff on prioritization.

Discussion on Alaska Growth Capital

Staff recommends continuing this program. Alaska Growth Capital has been very responsive and worked with staff to adjust, and strengthen their performance measures.

Public Comment

Brenda Akelkok – Bristol Bay Native Association, Dillingham

- DCED mini-grant program, this is one of the most successful programs for \$500K. They strongly disagree with discontinuing the program
- We are participating in the IAID Program. Additional funds would allow them to convert to a different software that will be easier and more flexible
- Training – we need a better avenue with the Commission for training issues.
- When participating through the LIO, they don't get to see the Resolutions, a press packet would be helpful

Loretta Bullard – Kawerak, Inc.

- Thank you for all of the funding provided
- Kawerak Resolution about developing alternative sources of energy
- Multi-use facilities – the way the RFP was written it makes the communities that are in most need are not eligible to apply for their purposes.
- Encourage you to continue to fund projects in Shishmaref.
- Need more of an avenue to provide input

Joe Cladouhos – President & CEO - Norton Sound Health Corporation

- Handouts – Annual Report & Proposal.

- Thank you for coming out to the Bering Straits region to visit the communities and projects in the area.
- Request for funding assistance for a new hospital

Robbie Fagerstrom – Sitnasaak Native Corporation/City of Nome

- Economic Development – recommend coordinating through organizations like Kawerak.
- Union & Non-union issues, they need to be resolved. There are great craftsman in the area and a stable economy can be created in the region if we can resolve those issues.

Dave Carlson – Southeast conference (telephonically)

- Juneau to Hoonah Intertie and Petersburg to Kake Intertie – have undertaken engineering analysis of the projects. Both projects are technically and economically feasible. This project has area-wide support. Any Denali Commission Support would be appreciated

Larry Dunham - Forest Service (telephonically)

- Testified about
- Request these projects be put on the Denali Commission list for approval of FY04 funding

Lester Lunceford – Mayor of Whittier (telephonically)

- Shotgun Cove project: This is one of the most important projects in for economic development in Whittier. This will allow them to expand for tourism and industry.
- New tunnel has significantly increased the tourist traffic to Whittier, but there is a lack of tourism facilities.

Tom Okleasik – Northwest Planning/Sitnasaak Foundation

- Support the Multi-purpose facilities resolution
- ANCET Support – would like to amend the resolution to increase allocation to ANCET
- People's learning center – in favor of this, it is a ready-to-go project
- Does not support the Investment Policy. Recommend that the Commission make a motion to table this until further comment can be received from rural communities
- FY04 Work Plan – recommend that you include a new piece to work more with rural residents, even hiring people on the Commission staff, but they could still live and work in their community and not have to relocate to Anchorage.

Leo Rasmussen – Mayor, City of Nome

- Iditarod Historic Trail – one of 3 historic trails that are located wholly within one state. There is a project on the south end of the trail to open it up to foot traffic.
- Would like to challenge the University to change the transportation flow in the area and have more efficient energy projects.
- Would like some type of financial assistance for the new airport requirement. Transportation is very important for the bush

Richard Benevillie – Nome Discovery Tours

- Good to see you holding the meeting in Nome
- Would like to see the Denali Commission work on roads

Ted Meyer – Arctic Slope Consulting Group

- Thank you for allowing ASCG to be a sponsor of the meeting today
- Recently opened a regional office. They see a lot of growth in the future and are glad to be part of it.

Janelle Vanasse – Yuut Elitnaurviat (People’s Learning Center)

- Thank you to the Commissioners who have supported this project
- One question that came up earlier is that if the People’s Learning Center fits within the Commission’s theme. She noted several communities in the area that are already served by other Denali Commission Projects
- Designed to train the workforce to operate and maintain the projects that are built by the Denali Commission themes.
- People’s Learning Center should be classified as infrastructure, it is building the infrastructure that will train the workforce for years to come.
- The People’s Learning Center is part of the Bethel Strategic Plan
- How do we fit into a statewide system? They are working with other regional learning centers to coordinate efforts

Mike Zacharof – Aleutian Pribilof Islands Association

- Thank you to the Commission and Staff, Bush Alaska really appreciates you!

Sterling Gologergen – Norton Sound Health Corporation, Office of Environmental Health

- Still need Washeteria money for some of the communities in their area.
- DEC – Environmental training might be cut and transferred to a web-based training system
- Solid waste issues – honey bucket sites that need to be closed. Would like Denali Commission to focus more on solid waste issues.
- She is from Savoonga – Denali Commission funding has made a difference for her family personally, and has improved the quality of life in that community

Jerry Traino – Kawerak, Inc., Training Division

- Much of their funding has come through Denali Commission and Department of Labor
- Trained 406 people in the Bering Straits region last year
- A total of \$521,000 was used for this training project
- Training was delivered in the village or regional community, which also helps the economic development in the community

Mike Andrews – Alaska Works Partnership, Inc.

- Thank you for your support of developing Rural Alaska’s human resources

Stan Lujan – Nome Public Schools

- NW Alaska Career and Technical Center – this was a dream about one year ago
- This center is regional
- The center also includes life skills to increase the student’s job marketability later in life
- A way to meet the “no child left behind” program

Jeff Selvey – NW Alaska Career and Technical Center

- Invite to visit the facilities

Jeanette Pomrenke – Kawerak, Inc., VP of Community Services

- Supports the resolution for Multi-purpose facilities. Would like to strike the re-allocation of funds in the current version of the Resolution, it was not congressional intent
- Community Priorities Program – she does not see a reconsideration of the funding in this meeting as was requested by Julie Kitka at the last meeting in Juneau.
- The CPP program would be better administered through the regional non-profits, or through the ARDORS

Rose Ellis – ANCET

- Thank you for funding ANCET previously. She notes that the recommended funding for this year is \$0
- It is her opinion that Denali Commission is probably one of the biggest economic development endeavors in rural Alaska.
- Recommend that rural and native people be included in training. She is concerned that ANCET will not be re-considered for funding for an additional year

Break from 4:10 – 4:20pm

Commissioner discussion and decisions of proposed action items

Note: Commissioner Kitka gave a proxy vote to Commissioner Staser for voting purposes.

- Resolution 03-12 to provide up to \$2,500,000 for the Denali Training Fund.
MOTION made by Commissioner Hamilton to approve. Commissioner Sampson seconded the motion. The resolution was unanimously adopted.
- Resolution 03-13 to provide up to \$8,000,000 for Multi-Use Facilities.
MOTION made by Commissioner Leman to approve. Commissioner Ritchie seconded the motion. The resolution was unanimously adopted.
- Resolution 03-14 to provide up to \$509,736 for Washeterias.
MOTION made by Commissioner Leman to approve. Commissioner Hamilton seconded the motion. The resolution was unanimously adopted.
- Resolution 03-15 to provide up to \$100,000 for Analysis of Alaska Water Export Proposals
MOTION made by Commissioner Staser to approve. Commissioner Leman seconded the motion. The resolution was unanimously adopted.
- Resolution 03-16 to provide up to \$500,000 for the Mini-Grant Program
MOTION made by Commissioner Ritchie to approve. Commissioner Sampson seconded the motion. After the two amendments outlined below, the resolution was adopted by an affirmative vote of five members and opposed by two members.

Commissioner Ritchie entered a motion to change the second "Further Resolved" paragraph to keep the economic development focus, while adding an emphasis on sustainable community comprehensive planning, public infrastructure pre-construction efforts, and small infrastructure

implementation projects. Commissioner Sampson seconded the motion. The motion passed unanimously.

Commissioner Staser entered a motion to change the funding amount for this resolution to \$250,000. Commissioner Sampson seconded the motion. The motion passed with an affirmative vote of five members and opposed by two members.

Commissioner Staser stated for the record that the Commission ought to pursue looking for a dedicated source of funding for Economic Development projects.

- Resolution 03-17 to provide up to \$250,000 for the Airport Assistance Program
MOTION made by Commissioner Hamilton to approve. Commissioner Staser seconded the motion. The resolution was unanimously adopted.
- Motion of support for the People's Learning Center (changed from a resolution to a motion)
MOTION made by Commissioner Leman to approve. The motion expressed strong support for the Center and committed to consider the project for funding at a future meeting. Commissioner Ritchie seconded the motion. The motion passed unanimously.

Commissioner Staser invited representatives from the People's Learning Center to meet with the Commission to teach the commission about collaboration

Commissioner Leman believes this is an excellent program and will be fighting for funding at future meetings

People's Learning Center Motion
<p>Whereas the Denali Commission strongly encourages community planning and regional collaboration for infrastructure projects and the Denali Commission applauds the nine Bethel regional partners who have come together to establish a career learning center for youth and adults called Yuut Elitnaurviat the sleek (the People's Learning Center) recognizes the project is a shining example of the Denali Commission's general guiding principles of planning, collaboration and sustainability.</p> <p>Therefore, although the Commission does not allocate any FY03 funding because of project construction timing, that Denali Commission requests that the People's Learning Center come back to the Commission for consideration of a \$1 million FY04 appropriation in the September 2003 or January 2004 Commission meeting .</p>

- Resolution 03-18 to provide up to \$1,000,000 for the Alaska Growth Capital Program
MOTION made by Commissioner Hamilton to approve. Commissioner Sampson seconded the motion. The resolution was unanimously adopted.
- Motion to table the Investment Policy Motion for further discussion at the Commissioner's retreat made by Commissioner Ritchie. Commissioner Sampson seconded the motion. The motion passed with an affirmative vote of six members and opposed by one member.

Commissioner Ritchie also requested that in the mean time, the Draft Investment Policy be circulated for public comment.

- Private Enterprise Policy Motion
MOTION made by Commissioner Hamilton to approve. Commissioner Staser seconded the motion. The motion passed unanimously.

Private Enterprise Policy Motion
Whereas, the Commission has been using the Private Enterprise Policy in draft form for some time and revisions have been made based on feedback and experience. Therefore I move the adoption of the Private Enterprise Policy for immediate implementation.

Note: Commissioner Hamilton left the meeting and gave his proxy vote to Commissioner Sampson for voting purposes on all remaining motions and resolutions

- Shishmaref Clinic Motion
MOTION made by Commissioner Staser to approve. Commissioner Sampson seconded the motion. After extensive discussion, the motion passed with an affirmative vote of five members and opposed by two members.

Commissioner Sampson entered a motion to amend the motion to provide for a new clinic instead of a renovation. Commissioner Ritchie seconded the motion. Commissioner Sampson later withdrew his motion for the amendment.

Commissioner Sampson referred the Commissioners to a packet of information provided by Loretta Bullard of Kawerak. He recommended that the Commissioners make a commitment to the community for a new clinic. He observed that Shishmaref met the criteria to apply for a new clinic, and should not be denied a new clinic based on the potential relocation of the community, which may or may not take place.

Commissioner Staser stated his concerned that the investment (a new clinic) will need to be re-located when the community moves, and relocating a clinic is not easy or inexpensive. He expressed his concerned about risk management.

Commissioner Hamilton stated his support for building a new facility. He pointed out that many lower 48 communities have been re-built many times as a result of natural disasters.

Commissioner Ritchie stated his belief that waiting on health care is not good for the community. He expressed support for making the necessary repairs to the current facility to improve the existing health care, and then send the application for a new clinic back to staff for review.

Commissioner Cattanaach stated that the funding decisions the Commission makes are all about choices. If a new clinic is funded in Shishmaref, then there is another community on the list that will not get a new clinic as a result of that decision.

Commissioner Staser proposes that the Denali Commission approve the \$150,000 renovation now, and then allow the community to apply for a full clinic at a later date. He also pointed out

that even if a new clinic is built, the current building could be converted into another facility, and that facility would have the benefit of the repairs that are made now.

Motion for Funding the Shishmaref Clinic for repairs and not replacement

Whereas, the Commission staff and the Health Steering Committee have recommended that funding for the Shishmaref clinic be limited to a maximum of \$150,000 in Commission funding for repairs because the community is imminently threatened by erosion. Therefore, I move that the Commission support this recommendation and direct Commission staff to work with the community and the Norton Sound Health Corporation on said repairs. Cost share match requirements in accordance to Federal statute still apply.

- Motion to remain focused on Primary Care
MOTION made by Commissioner Staser to approve. Commissioner Sampson seconded the motion. The motion passed unanimously.

Motion to Remain focused on Primary Care

Whereas, the Health Steering Committee has recommended that the Commission's Health Facility program remain focused on primary care facilities through FY03. Therefore, I move that the Commission dedicate all of the FY03 HRSA and Commission base-line FY03 funding (that portion of baseline dedicated to the health facilities program) to primary care facility planning, design and construction, unless otherwise specifically directed by Federal FY03 legislation.
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- Motion to approve the FY04 Work Plan
MOTION made by Commissioner Ritchie to approve. Commissioner Sampson seconded the motion. The motion passed unanimously.

Draft Fiscal Year 2004 Work Plan Motion
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Whereas, the Commission has reviewed the Draft Fiscal Year 2004 Work Plan and generally concurs with its content. Therefore I move that the Fiscal Year 2004 Work Plan is released in draft form for public review and comment.

- Motion to refine and finalize the Memorandum of Understanding
MOTION made by Commissioner Leman to approve. Commissioner Sampson seconded the motion. The motion passed unanimously.

Memorandum of Understanding Motion

Whereas, the Commission has been working together with State and Federal agencies on issues of common interest identified in a Memorandum of Understanding (MOU) for the past several years. A revised MOU has been drafted and reviewed by the Denali Commission as well as State and Federal agencies. Comments and concerns to date have been addressed and incorporated into the draft. I therefore move to direct Commission staff to refine the draft MOU as necessary and re-circulate for review and input by all interested entities and direct the Commission's Chief of Staff to

negotiate language that is agreeable to all participating organizations and to seek signatures.

- Resolution 03-19 to provide up to \$1,000,000 for the Allied Health Training Infrastructure MOTION made by Commissioner Sampson to approve. Commissioner Leman seconded the motion. The resolution was unanimously adopted.
- Resolution 03-20 amending Resolution 03-02 to re-allocate health care funding to the energy program if funding is not obligated by August 1, 2003. MOTION made by Commissioner Sampson to approve. Commissioner Staser seconded the motion. The resolution was unanimously adopted.

Closing Comments

Commissioners made closing comments and thanked everyone for the great hospitality in Nome.

Adjournment

Meeting adjourned at 5:35 p.m.